



# Office of the Staff Judge Advocate LEGAL SERVICES U.S. Army Japan and I Corps (Fwd)

## *Free Money: HAP*

Warriors in Transition (30% or greater disability), surviving spouses of fallen service members, and military personnel with permanent change of station (PCS) orders are now eligible to apply for HAP benefits. These benefits include (1) partial reimbursement of a loss due to a sale of a home; (2) assistance in paying off the remainder of a mortgage if the proceeds of the sale are insufficient; (3) purchasing a home by paying off the mortgage; and (4) payment of certain foreclosure liabilities.

To qualify, individuals must have owned and sold a home during a specific period of time depending upon their category. For example, service members with PCS orders must have owned the home prior to July 1, 2006 and PCS'ed after February 1, 2006 and before September 30, 2012. BRAC employees must have owned the home between May 13, 2005 and July 1, 2006 and sold the home before September 30, 2012.

Individuals must also have suffered, or will suffer, a financial loss when their home is sold, purchased by the government, or foreclosed upon. For example, DoD employees unable to sell their homes as part of a BRAC move may elect to sell their homes to the government.

Should they elect to do so, they would receive, as the purchase price, an amount not to exceed 75% of the appraised fair market value prior to the date of the announcement, or the current total amount of outstanding mortgages, whichever is greater. Some of these benefits may be taxable.

In order to apply for HAP benefits, an applicant must submit a DD Form 1607, [\*Application for Homeowners Assistance\*](#), along with supporting documentation (for example, military or civilian transfer orders, deed, mortgage note, etc.) to one of three US Army Corps of Engineer District Offices. Upon receipt, the application will be processed in accordance with DoD policy. The DoD policy on extended HAP benefits has not been adopted as of the date of this article but, once published, it is anticipated that there may be a backlog of six to nine months to process applications.

While the HAP will not eliminate all of an individual homeowner's losses, it will help to limit them. For more information on HAP, please visit <http://hap.usace.army.mil> where you will find additional information on the program, to include the *Application for Homeowners Assistance* and contact information for the three HAP Field Offices.

## *Tax Loop for Overseas Contractors*

Internal Revenue Code Section 911 permits qualified individuals to exclude \$87,600 of income earned while employed in an overseas location. The popular issue that arises during tax season is the "summer vacation" or "training" time spent on U.S. soil.

If your employment with AAA Inc of Japan commenced on 1 May of 2009, but you spent two weeks of Christmas in Guam and another week in Hawaii for training, you are technically out of

Japan for 21 days of the required 330 days of 12 consecutive months. Don't be alarmed, so long as you file your taxes by April 17 2010, you satisfy the requirements.

On the other hand, an issue may arise if you were working stateside between 01 Jan and 30 April. Please contact your tax law specialist for more information at our Legal Office, 263-4698.

**ZAMA LEGAL ASSISTANCE OFFICE**

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## ***Clarifying Transferability of Education Benefits to Spouse or Dependent***

Starting 1 August 2009, any active duty or Selected Reserve service member may transfer their education benefits to their spouse or children under the Post 9/11 GI Bill. But this special transfer is NOT automatic; rather, it comes with additional requirements.

### **WE'RE ON THE WEB**

**HTTP://  
WWW.USARJ.ARMY.MIL/  
CMDSTAFFS/SJA/  
LAO.ASPX**

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FINEST MEN  
AND WOMEN**

### **SIX YEAR RULE**

Upon election to transfer your benefit to either spouse or dependent, you must have at least 6 years of service in the Armed Forces, AND must agree to serve 4 additional years from that election date.

### **TEN YEAR RULE**

Upon election to transfer your benefit to either spouse or dependent, you have a minimum of 10 years in the Armed Forces but are precluded from serving the additional 4 years required service due to policy or statute, you must serve for the maximum amount of time allowed by same policy or statute.

### **RETIREMENT ELIGIBLE**

| <b><u>Eligible for Retirement</u></b> | <b><u>Required Additional Svc after transfer Approval</u></b> |
|---------------------------------------|---|
| 1 August 2009                         | None  |
| 1 August 2009 - 1 July 2010           | 1 Year  |
| 1 August 2010 - 1 August 2011         | 2 Years   |
| 1 August 2011 - 1 August 2013         | 3 Years   |

If you have any questions, comments, or suggestions, please contact the Legal Assistance Office at 263-4698.

***If you desire to transfer your benefits, exercise your option soon.***

Eligible dependents include the service members' spouse or child(ren). Of course, your dependents must be DEERS registered at the time of transfer to receive the benefit.

You may transfer your benefit to your spouse, child, children, or combination of spouse and child. Although a child's subsequent marriage or a spouse's divorce will not affect eligibility it may affect their DEERS enrolment and thus the transferability of benefits.

Contact your separation/reenlistment counselor or legal office for further clarification or visit the US Department of Veterans Affairs website at <http://www.va.gov/>.

